



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D.C. 20555-0001

January 31, 2018

The Honorable Thad Cochran  
Chairman, Committee on Appropriations  
United States Senate  
Washington, DC 20510

Dear Mr. Chairman:

On behalf of the U.S. Nuclear Regulatory Commission (NRC), I am submitting the third quarterly report related to the NRC's progress on certain licensing actions and right-sizing commitments as directed in the Joint Explanatory Statement accompanying the Consolidated Appropriations Act, 2017.

The Joint Explanatory Statement directed the Commission to report: 1) "the on-board strength of full-time equivalent (FTE) employees, including any identified areas of critical skill shortages and targeted hiring strategies against these shortage areas;" 2) "actions taken to right-size the NRC in accordance with the recommendations of the Project Aim report, to include re-baselining assumptions and projection of FTEs and required budget authority;" 3) "progress to eliminate the backlog of pending licensing actions in the Office of Nuclear Reactor Regulation by 2017;" and 4) "progress to complete the licensing reviews of pending reactor license renewal applications (power and research reactors), combined license applications, early site permit applications, design certification applications, and uranium recovery applications (initial and renewal) against currently projected schedules."

The agency started fiscal year (FY) 2018 with 3,241 employees. In FY 2017, we implemented strategies such as voluntary early retirement authority, voluntary separation incentive pay programs, and strict hiring controls to achieve appropriate reductions in staffing levels. The FY 2018 staffing level in the agency's budget request is 3,293 FTE, which includes an increase of 71 FTE for the proposed Yucca Mountain deep geologic repository, if funded.

Hiring of additional agency staff will continue to be limited to only those skills that are both critical to the agency operations and not available within the existing agency workforce. The NRC has identified additional skill needs in the areas of cybersecurity, cloud computing, probabilistic risk assessment, health physics, fuel technology, acquisitions, and advanced reactors (non-light water reactors); and is implementing strategies to mitigate any future critical skill gaps in these areas. These strategies include retraining and redeploying current agency staff, partnering with other Federal agencies, and supplementing the NRC workforce with contractor support.

On July 31, 2017, South Carolina Electric & Gas Company and Santee Cooper, the licensees for V.C. Summer Units 2 & 3, announced their decision to discontinue construction of these units. In response, the NRC staff immediately stopped related inspections and licensing reviews and initiated an assessment of the skills of the individuals whose positions were impacted by the V.C. Summer decision. The NRC has placed the impacted individuals into open positions where current or projected work was identified that met their skill sets.

The agency continues to make progress in implementing the re-baselining effort. As of the end of December 2017, the agency had completed the actions necessary to realize savings associated with 148 of the 150 of the identified activities. We continue to implement the remaining activities and follow-on implementation activities resulting from Project Aim. The remaining activities are described in the enclosed current and previous Project Aim Status Updates (Enclosures 2 and 3).

The staff continues its focus on operating reactor licensing actions with over 95 percent having been closed within 2 years. In December 2017, the inventory of operating reactor licensing actions remaining open for more than 2 years was seven. Enclosure 1 provides the requested status in completing licensing reviews. Enclosure 1 also provides additional information on the staff's efforts to improve the request for additional information (RAI) process.

Please feel free to contact me or have your staff contact Eugene Dacus, Director of the Office of Congressional Affairs, at (301) 415-1776 if you have questions or need more information.

Sincerely,



Kristine L. Svinicki

Enclosures:  
As stated

cc: Senator Patrick J. Leahy

**Identical letter sent to:**

The Honorable Thad Cochran  
Chairman, Committee on Appropriations  
United States Senate  
Washington, DC 20510  
cc: Senator Patrick J. Leahy

The Honorable Rodney Frelinghuysen  
Chairman, Committee on Appropriations  
United States House of Representatives  
Washington, DC 20515  
cc: Representative Nita M. Lowey